

reference



Following an extensive consultation with stakeholders, OBSI's Board of Directors unanimously approved a revised Terms of Reference to guide our dispute resolution service. The target implementation date of the revised Terms is April 1, 2009.

The revisions were the first significant changes to OBSI's mandate since 2002 when our service was expanded to include the investment industry organizations and firms.

Most of the changes were made to ensure OBSI met the guidelines in the Framework for Collaboration, a document which sets out the principles and expectations of dispute resolution with the Joint Forum of Regulators and Finance Canada. Some of the changes were also suggested by OBSI's independent review completed last year. Others reflect evolving case management practices in dispute resolution.

Two of the more notable changes are in systemic issues and new complaint-handling procedures.

On systemic issues, the Terms now have a provision under which OBSI will be following up on potential systemic issues that arise out of individual complaint files by contacting the firm and asking it to undertake an investigation. Should a systemic issue be found, OBSI will offer to work with the firm to arrange compensation for affected clients and to fix the problem. If there is disagreement between OBSI and the firm on the nature of problem, or the remedy, the file will be referred to the appropriate regulator for review. Future Annual Reviews will also include reporting, on a no-names basis, of systemic issues.

On new complaint-handling procedures, consumers will have the option of bringing their complaint to OBSI 90 days after they start the firm's internal complaints process. This is consistent with the new investment sector complaint-handling rules from IIROC and MFDA that are meant to streamline the process and ensure consumers are aware of their options.

Other changes include provision for firm and client agreements to suspend limitation periods while OBSI is considering a complaint; improved communication to consumers about the dispute resolution process; and clarification of OBSI's compensation limit of \$350,000.

